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Ex-CIA Man Describes His Work for Rewald

By Charles Mamminger
Star-Bulletin Writer

A career CIA man who went to work for Ronald Rewald after retiring today said that he wrote a number of brochures and reports for Bishop, Baldwin, Rewald, Dillingham & Wong.

But Jack Kindschi said the brochures had many misrepresentations and it was Rewald who provided him with the information for them. Kindschi said he did research and composed a number of quarterly reports about world economic conditions.

Kindschi is the second CIA official to testify in Rewald's trial on fraud and perjury charges.

The government contends that Rewald exploited his association with Kindschi and the CIA to bilk investors out of millions of dollars. It says he used the reports and brochures to convince people to invest in Bishop, Baldwin.

DURING THE past two days, Kindschi has testified how he and Rewald became close friends after Kindschi took over the CIA field office here in 1978. That association eventually led to Kindschi going to work for Rewald and unquestioningly doing whatever writing projects Rewald desired.

Kindschi also began putting his money and his parents' money in Bishop, Baldwin, thinking that it was a good investment.

When the company collapsed, Kindschi, his wife and mother were among those who lost their life savings, Kindschi said.

In testimony yesterday, Kindschi said there were times when he was suspicious of Rewald. But those suspicions always were overlooked because of his deep, personal friendship with the Rewald family.

Kindschi said that he took over as chief of the CIA's field office here in August 1978 after

Eugene Welch retired. Welch introduced Rewald to Kindschi as a possible contact because Rewald planned to travel extensively overseas.

In Rewald, Kindschi found an aggressive "eager beaver" constantly offering his services to the agency, Kindschi said. While that should have caused some concern, Kindschi instead was so impressed with Rewald's accomplishments and manner that he didn't question Rewald's authenticity.

BUT REWALD'S reputation in the CIA as a superpatriotic, wealthy businessman was sealed in 1979 after Kindschi drafted a letter to the CIA security office.

That office had asked Kindschi in September 1979 to assess Rewald's background and describe anything unusual about his association with the agency. Kindschi was told to perform the assessment without Rewald's knowledge.

But instead of performing an independent investigation, Kindschi sent CIA headquarters a glowing letter mainly repeating everything Rewald had told Kindschi about himself.

Kindschi described Rewald as a man "with no apparent vices" who was "intensely competitive" in everything he undertook. He said Rewald had been a state champion pole-vaulter, a pilot, a professional football player and a successful businessman who had run a chain of 12 sporting goods stores in the Midwest. None of that is true, Kindschi went on to say that Rewald had formed Consolidated Mutual Investment Corp., which had clients such as Elvis Presley and Hollywood personalities. And while Rewald had only been in Hawaii a short time, he had managed to associate his company — Bishop, Baldwin, Rewald, Dillingham & Wong — with three of the state's oldest families, Kindschi wrote.

The letter went on to describe Rewald's personal life as "exemplary" and Rewald as "extremely generous" with his finances.

KINDSCHI DID say there was some "natural skepticism" of Rewald because he was a "walk-in" or voluntary contact. But the fact that Rewald "asked for no favors and did everything on his own free will" convinced Kindschi that Rewald was on the level.

Kindschi testified that he became suspicious of Rewald on another occasion when Rewald offered to let the CIA use his company as a "cover" for foreign "assets." Kindschi even wrote a letter in June 1979 to the CIA headquarters passing on Rewald's offer of cooperation.

"Did you talk yourself out of your suspicions again?" asked Assistant U.S. Attorney John Peyton.

"I guess I did," Kindschi replied.

The CIA office, however, turned down Rewald's offer of assistance. "Understand your frustration in dealing with a very cooperative contact," the CIA wrote Kindschi back, "but little more he can do for us."

At that time, Rewald already was providing a "backstop" for overseas CIA agents using H&H Enterprises and, later, Canadian Far East Trading Corp., as covers.

KINDSCHI FIRST met Rewald in 1978 when he had dinner at Rewald's house with outgoing CIA office chief Welch. After that, Kindschi and his wife developed a close friendship with the Rewalds, he said. So close, in fact, that the Rewald children "looked on us almost as grandparents."

Kindschi said he and Rewald were compatible in "the way we viewed the world." Rewald agreed with just about everything Kindschi said to the point that it was "almost like getting an echo," he said.